

Land Board Agenda Item February 17, 2009

LYMAN CREEK LAND EXCHANGE, DNRC/FWP SULA-CALF CREEK-THREEMILE

Proposal: Land exchange between the Department of Natural Resources and Conservation (DNRC) and Region 2 of Montana Department of Fish, Wildlife and Parks (FWP).

Proponent: DNRC and FWP

Acres:

FWP land in the Sula State Forest		
80 acres	W½SW¼, Sec. 13, T2N, R19W	\$154,400
287.92 acres	SW¼NE¼, Lots 5, 6, 8, 9, 10 & 11, Sec. 14, T2N, R19W	\$555,600
367.92 acres	Totals	\$710,000
Trust acres in the Calf Creek and Three mile Wildlife Management Area		
160 acres	SE¼, Sec. 16, T6N, R19W (Common Schools)	\$309,000
80 acres	N½SE¼, Sec. 30, T10N, R18W (Public Buildings)	\$400,000
240 acres	Totals	\$709,000

Location: Ravalli County

Beneficiary: Common Schools and Public Buildings

The Southwestern Land Office requests final Land Board approval of a proposed land exchange in Ravalli County. The proposal is to exchange approximately 368 acres of FWP land in the Sula State Forest for DNRC in-holdings within the Calf Creek Wildlife Management Area (WMA) and the Threemile WMA. DNRC and FWP would receive approximately equal values but FWP would receive less acreage due to the excess timber values on the Trust Lands. This exchange would consolidate ownership on the respective agencies lands.

The following describes how the proposed land exchange relates to the Board of Land Commissioners Exchange Criteria:

1) Equal or Greater Value:

The Trust will receive equal or greater value. The value of the FWP land is \$710,000, the Trust land value is \$709,000; \$400,000 for Public Buildings and \$309,000 for Common Schools. The allocation of land received from FWP to the Trusts is illustrated in the table below.

Allocation of FWP land to Trusts		
80 acres	W½SW¼, Sec. 13, T2N, R19W	\$154,381
80.4 acres	Lots 9 & 10, Sec.14, T2N, R19W	\$155,153
160.4 acres	Total for Common Schools	\$309,534
207.52 acres	SW¼NE¼, Lots 5, 6, 8, 9, 10 & 11, Sec. 14, T2N, R19W	\$400,466
207.52 acres	Total for Public Buildings	\$400,466
367.92 acres	TOTALS	\$710,000

The FWP land in Sula was burned during the fires of 2000 and salvage logged by a previous land owner. There is no excess timber values associated the land. The Trust Lands to be exchanged have approximately 1,770 MBF of excess timber. The Trust lands have excess timber values of \$235,835 (net) therefore DNRC will retain timber rights for \$234,835 (net) for future harvest from the exchanged lands or from other appropriate FWP lands.

Meets criteria.

2) State Land Bordering on Navigable Lakes and Streams:

There are no navigable lakes or streams located within the boundaries of the proposed exchange properties.

Meets criteria.

3) Equal or Greater Income:

DNRC is reserving approximately \$234,835 (net) in timber rights on the trust land being exchanged. The projected Rate of Return (ROR) on DNRC lands over a 60 year period is 0.9% and the Net Present Value of the income stream is \$120,972. The projected Rate of Return (ROR) on FWP lands over a 60 year period is 1.4% and the Net Present Value of the income stream is \$230,123.

Meets criteria.

4) Equal or Greater Acreage:

The Common Schools Trust will exchange 160 acres for approximately 160.4 acres. The Public Buildings Trust will exchange 80 acres for approximately 207.52 acres.

Meets criteria.

5) Consolidation of State Lands:

DNRC will remove in-holdings within consolidated blocks of DNRC land in the Sula State Forest. FWP will remove in-holdings within consolidated blocks of FWP land in the Threemile and Calf Creek Wildlife Management Areas.

Meets criteria.

6) Potential for Long Term Appreciation:

The potential for long term appreciation of land acquired by the Trust is greater than the present configuration of land. Legal access for all lawful purposes will be achieved in the exchange, providing greater land use opportunities in the future. While the parcels acquired by FWP are closer to Missoula, the accessibility of the parcels is remote and difficult, making the accessibility and hence potential appreciation of all parcels relatively equal.

Meets criteria.

7) Access:

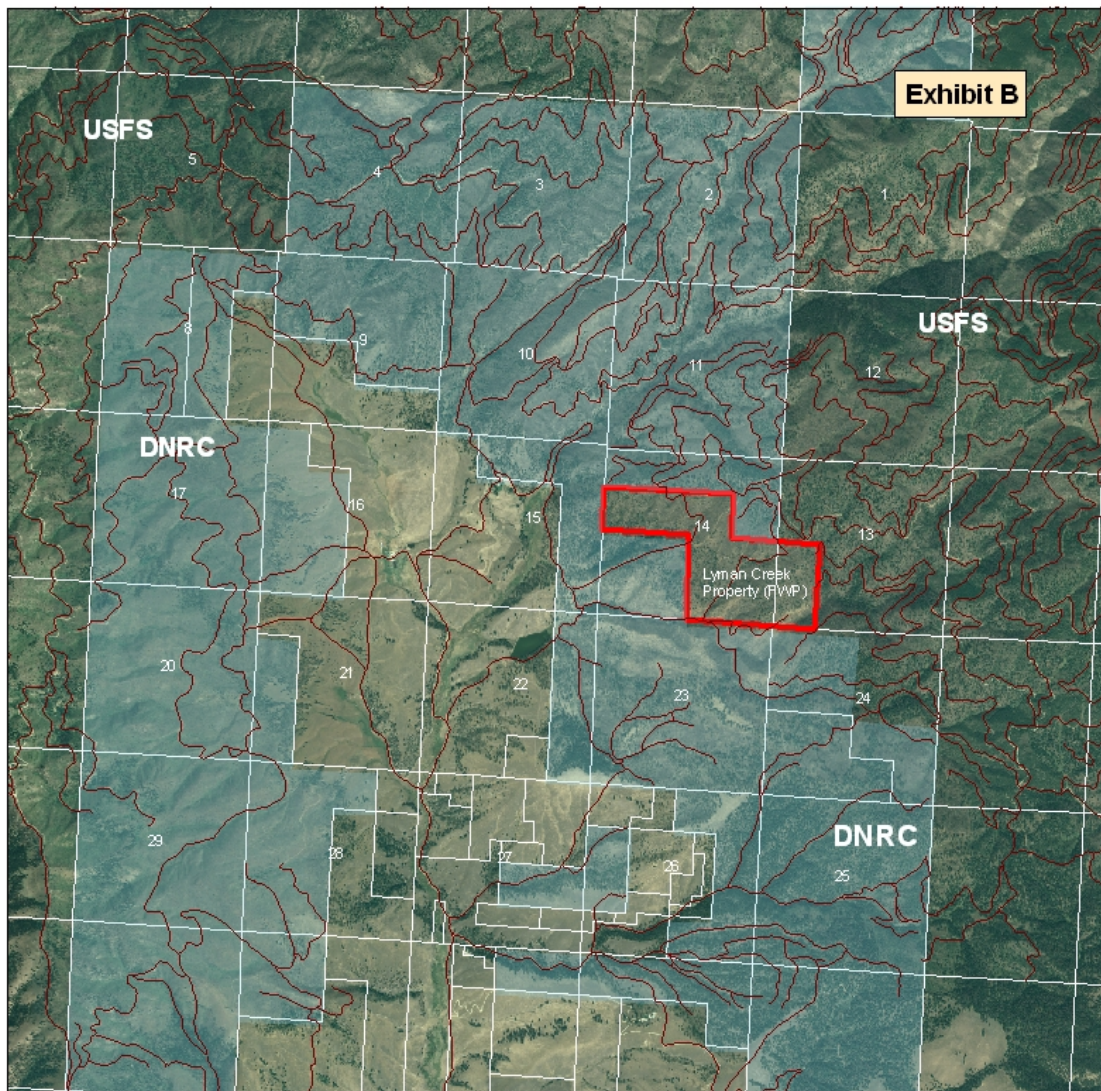
Neither DNRC nor FWP have legal access to their properties proposed for exchange. The proposed land exchange will result in both agencies having legal access to the exchange parcels due to the fact that the acquiring agency is the adjacent land owner. Public access will not be affected as the public has access to all lands under current ownership and will continue to have access after the exchange. Public use will be simplified by having consolidated blocks of land with consistent Rules and policies.

Meets criteria.

This proposed exchange was scoped in a joint DNRC/FWP scoping notice in July 2007. The current lessee of the DNRC Three Mile parcel has been notified of this proposed exchange and has offered no objection. A public hearing was held in Hamilton, Montana on November 7, 2008 and a public meeting was held by FWP on December 17, 2008 to solicit comments on the exchange. The FWP Commission gave final approval to the LEX on January 15, 2009.

Recommendation:

The Directors of DNRC and FWP recommend approval of the proposed land exchange.



Lyman Creek inholding on Sula State Forest

Ravalli County, Township 2 North, Range 19 West




Section 13: W1/2SW1/4 (80 acres)

Section 14: Government Lots 5,6,8,

9,10,11, SW1/4NE1/4 (287.92 acres)

Total Lyman Creek Property = 367.92 acres

Legend

-  Roads
-  State_Ownership
-  Lyman Creek Property



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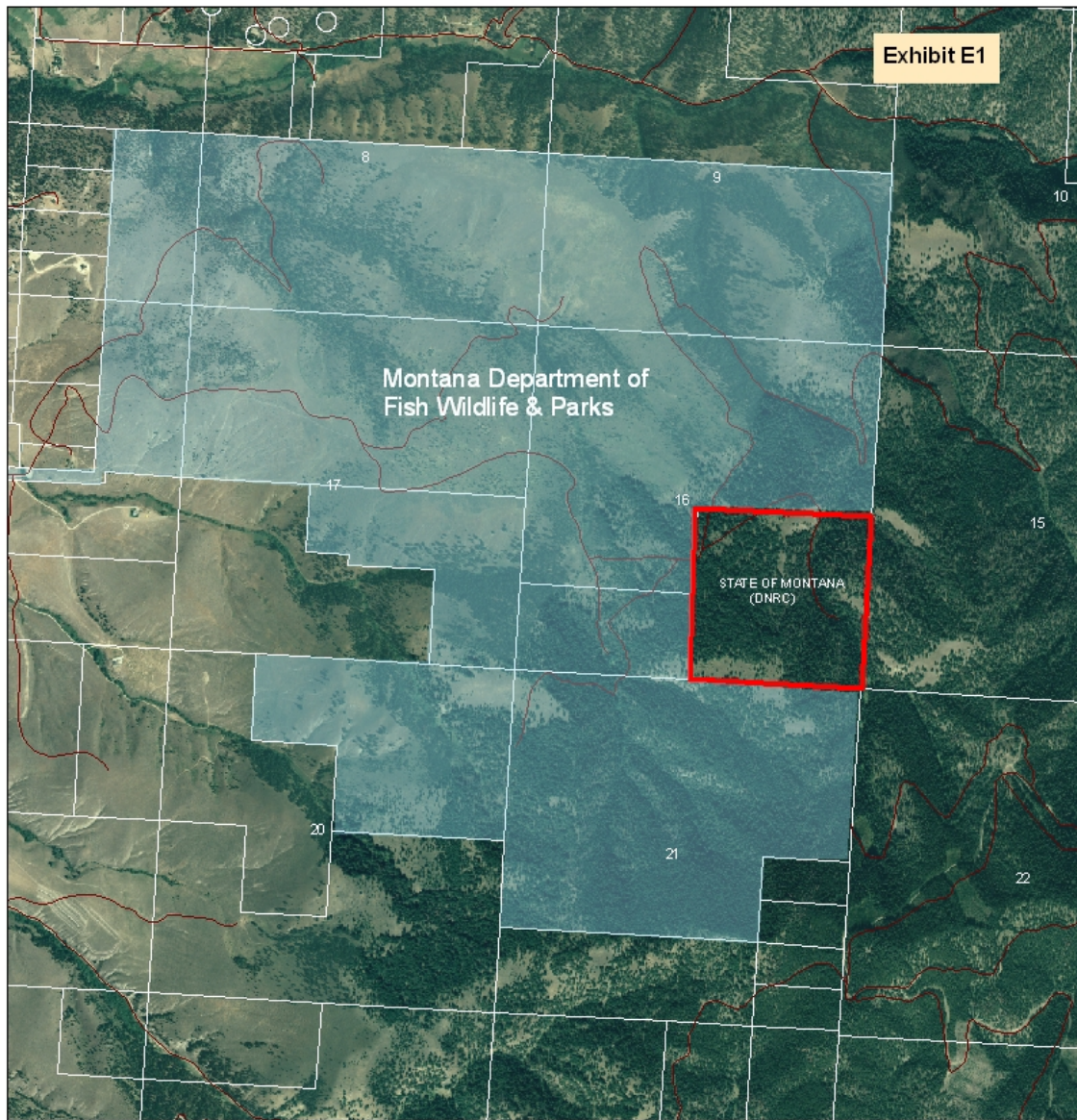
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MAP IS INTENDED TO SERVE AS A VISUAL GUIDE
AND ITS ACCURACY IS NOT WARRANTED



**Montana Fish,
Wildlife & Parks**



DNRC inholding on Calf Creek WMA
Township 6 North, Range 19 West
 Section 16: SE1/4 (160 acres)

Legend

- Montana Fish Wildlife & Parks
- Subject 160 Acres



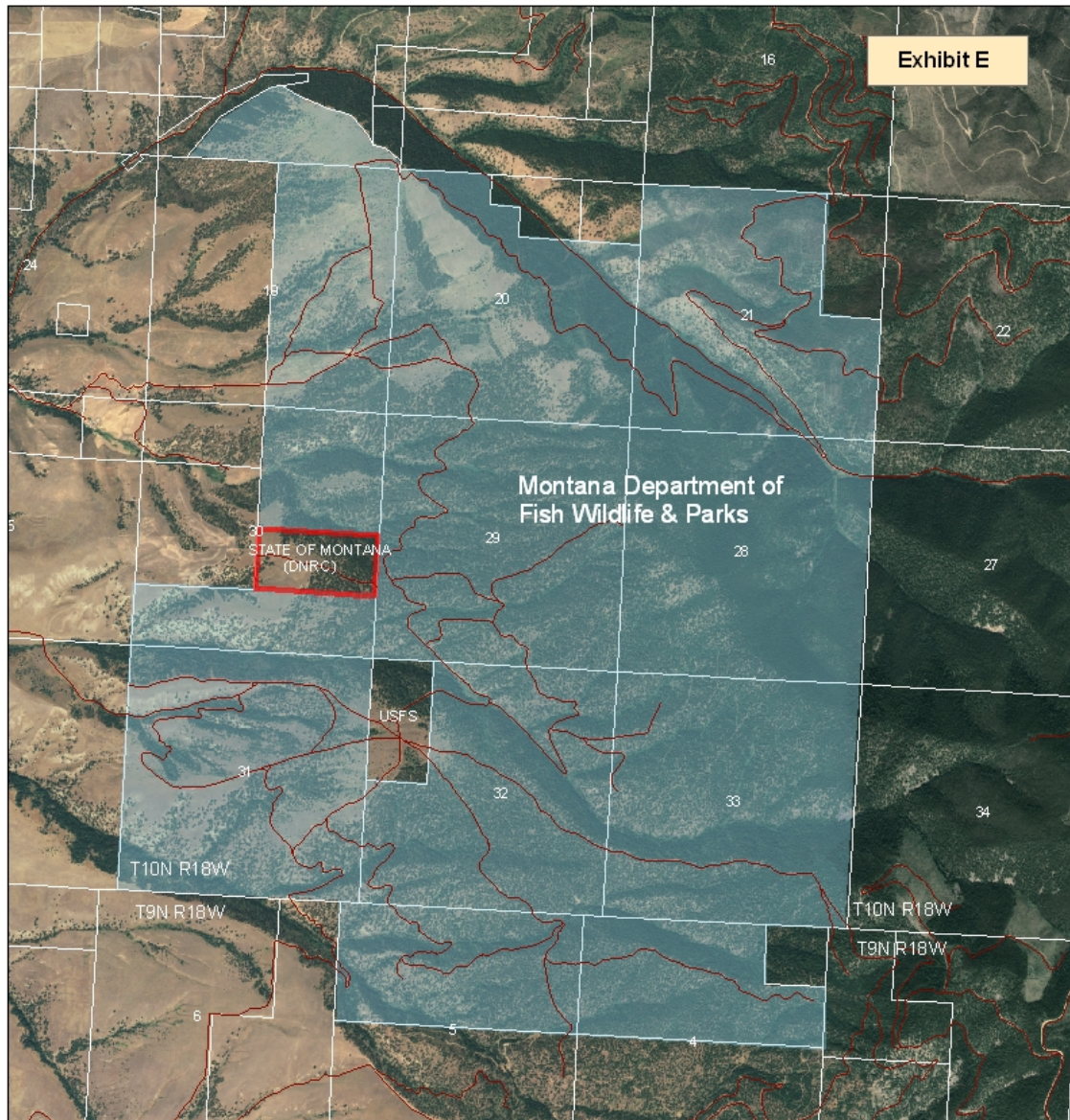
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SCALE

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 AND ITS ACCURACY IS NOT WARRANTED





DNRC inholdings on Threemile WMA
Ravalli County, Township 10 North, Range 18 West
 Section 30: N1/2SE1/4 (80 acres)

Legend

-  Subject 80 Acres
-  Montana Fish Wildlife & Parks



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 MAP IS INTENDED TO SERVE AS A VISUAL GUIDE
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